

Economic Development Incentive Program (EDIP)



Fiscal Year 2015 Annual Report

Massachusetts Office of Business Development

September 30, 2015

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Letter from EDIP Director



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GOVERNOR

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EXECUTIVE OFFICE OF HOUSING & ECONOMIC DEVELOPMENT
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JAY ASH
SECRETARY

NAM PHAM
ASSISTANT SECRETARY

September 30, 2015

Dear Governor Baker:

On behalf of the Massachusetts Office of Business Development (MOBD) we are pleased to send you the Economic Development Incentives Program (EDIP) Fiscal Year 2015 Annual Report.

Now in the sixth year since the 2010 program reforms, the EDIP continues to be the largest job creation incentive in the Commonwealth. In fiscal year 2015 fifty-five (55) projects were approved with the potential to create 3,733 jobs, the retention of 7,432 jobs and a private investment of \$780 million. Since the 2010 changes, 252 projects have received approval, leading to the potential creation of 17,716 new jobs, the retention of 47,883 existing jobs and leveraging of over \$6.2 billion in private investment. The EACC has assisted 134 manufacturers through the EDIP and has supported 110 projects in Gateway Cities.

Sincerely,

Annamarie Kersten
EDIP Director

cc The Senate Committee on Ways and Means
The House Committee on Ways and Means
The Joint Committee on Labor and Workforce

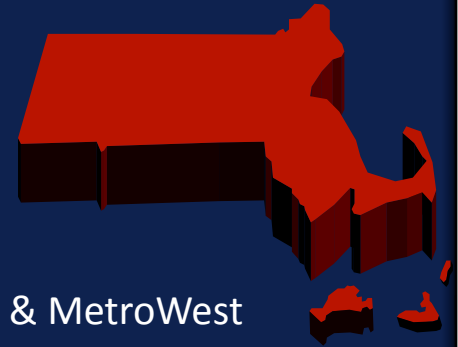


Mission

- Facilitate access to resources
- Promote job growth and retention
- Stimulate private investment
- **Help businesses thrive in Massachusetts**

Regions

- Western
- Central
- Greater Boston
- Northeast
- Southeast
- Merrimack Valley & MetroWest



Resources

- | | |
|-----------------------|-------------------------|
| • Financing | • Industry Expertise |
| • Workforce Training | • Permitting |
| • Tax Incentives | • Business Consultation |
| • International Trade | |

Notable Fiscal Year 2015 EDIP Projects



A division of Capstan Industries



Fiscal Year 2015 EDIP Projects



55

- Projects Approved

3,733

- Jobs to be Created

7,432

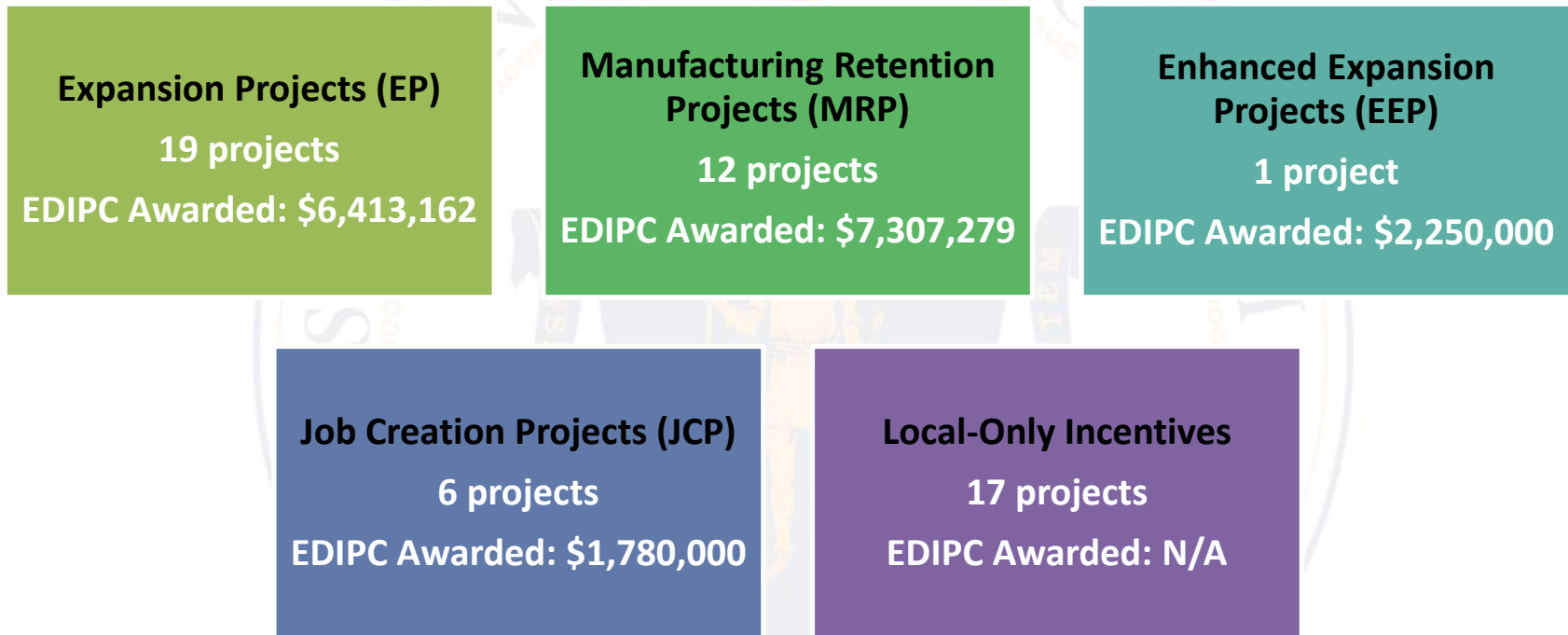
- Jobs to be Retained

\$780
million

- Private Investment



EDIP Breakdown by Project Type



EDIPC = Economic Development Incentive Program Tax Credits

Fiscal Year 2015 EDIP Projects



Breakdown by Type of Project

Expansion Projects	Manufacturing Retention Projects	Enhanced Expansion Projects	Job Creation Projects	Local Incentives Only
EP	MRP	EEP	JCP	Local
<ul style="list-style-type: none">• 19 Projects• 1,430 Jobs Created• 1,944 Jobs Retained• \$287 million Private Investment• \$4,485 EDIPC per job created	<ul style="list-style-type: none">• 12 Projects• 469 Jobs Created• 1,606 Jobs Retained• \$108 million Private Investment• \$15,581 EDIPC per job created	<ul style="list-style-type: none">• 1 Project• 500 Jobs Created• 0 Jobs Retained• \$54 million Private Investment• \$4,500 EDIPC per job created	<ul style="list-style-type: none">• 6 Projects• 980 Jobs Created• 2,258 Jobs Retained• \$1.9 million Private Investment• \$1,816 EDIPC per job created	<ul style="list-style-type: none">• 17 Projects• 554 Jobs Created• 1,564 Jobs Retained• \$329 million Private Investment• N/A EDIPC per job created

Fiscal Year 2015 EDIP Projects



EDIP FY 2015 Results: Regional Snapshot

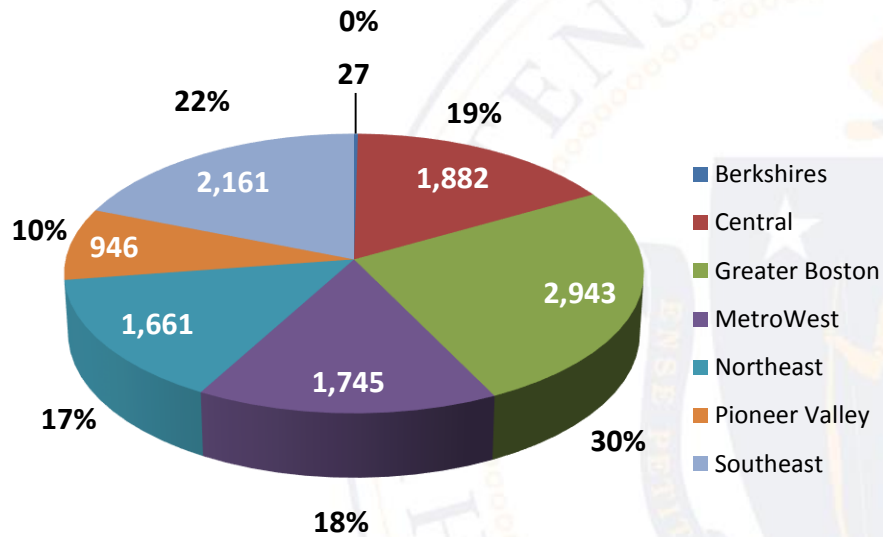
Region	Number of Projects	New Jobs	Retained Jobs	Private Investment	EDIPC* Awarded
Berkshires	2	23	4	\$24,761,158	Local Only
Central	11	703	1,179	\$99,888,780	\$2,212,030
Greater Boston	6	919	2,024	\$110,324,300	\$2,320,250
MetroWest	9	741	1,004	\$95,795,891	\$1,938,546
Northeast	11	408	1,253	\$193,810,095	\$4,573,681
Pioneer Valley	8	150	796	\$52,513,000	\$800,550
Southeast	8	789	1,172	\$202,865,164	\$5,905,384
Total	55	3,733	7,432	\$779,958,388	\$17,750,441

*Economic Development Incentive Program Credit

Fiscal Year 2015 EDIP Projects

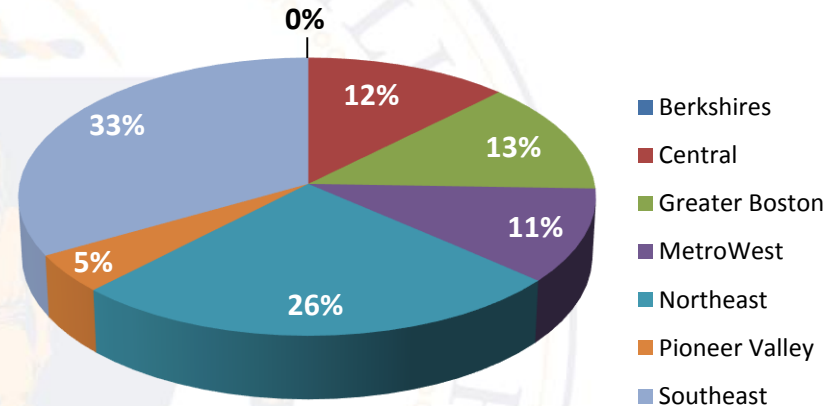


Job Impact* by Region



*Job Impact is Jobs Created and Jobs Retained

EDIPC** Awarded by Region

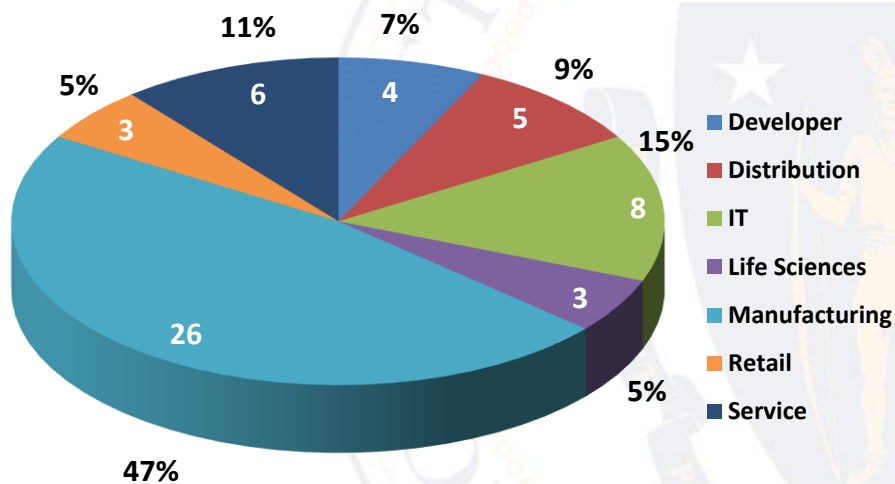


**Economic Development Incentive Program Credit

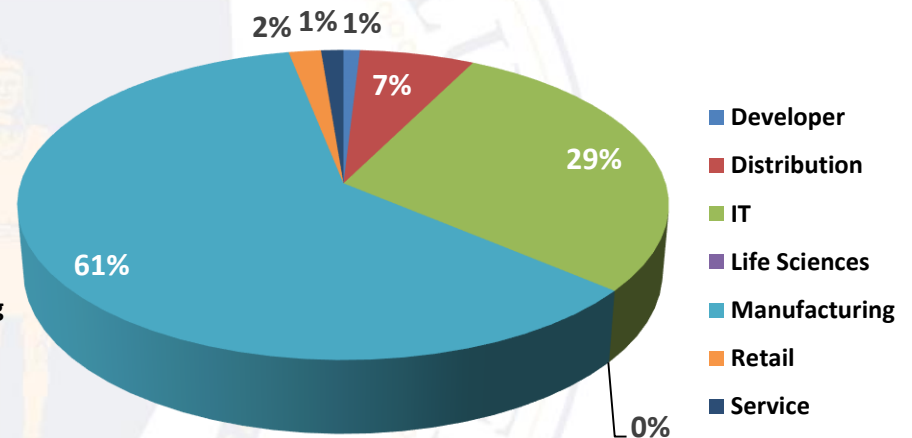
Fiscal Year 2015 EDIP Projects



Number of Projects by Industry



EDIPC Awarded by Industry



Fiscal Year 2015 EDIP Projects



21 projects
located in
Gateway Cities

38%

26 projects
were
Manufacturers

47%

30 projects
< 250 employees
Small Businesses

55%

FY 2015 Accomplishments



In Addition to the EDIP Projects Approved:

- Q4 2014 - Conducted ***"Innovation Economy Job Creation Challenge"*** kickoff for new Job Creation Project (JCP) category
- Approved two (2) **Economic Distressed Areas (EDA)** to enable access to brownfields programs:
 - Groton (census tracts 2101 - 2109)
 - Melrose (census tracts 3261.01, 3261.02)
- Held one **EACC Board Policy Meeting** with new Administration
- EDIP Team filled in for Regional Directors during transition
- Trained five (5) new MOBD Regional Directors
- Presented EDIP legislative changes at **Massachusetts Economic Development Council (MEDC)** Annual Meeting and Conference
- Presented EDIP to **Somerset Board of Selectmen**

FY 2015 Accomplishments



Conducted six (6) Municipal Outreach meetings across the state to discuss legislative changes to EDIP:

- 11/12/14 495 MetroWest Partnership, **Westborough**
- 11/13/14 Quincy 2000, **Quincy**
- 12/02/14 Metro South Chamber of Commerce, **Brockton**
- 01/13/15 Central Mass Regional Planning Commission, **Worcester**
- 01/14/15 North Shore Community College, **Danvers**
- 01/29/15 North Central Mass Chamber of Commerce, **Fitchburg**

FY 2015 Accomplishments



In June 2015 **MASSPIRG** cited the EDIP program in their hearing testimony to the **Joint Committee on Economic Development & Emerging Technology** as a good example of transparency. A quote from their testimony follows:

“Last year the **EDIP** made significant steps forward in providing detailed information, by recipient on not only the award but also the number of jobs promised and created. As a matter of fact, MASSPIRG awarded the state a grade of an A this year in our annual review of state spending websites, for the level and comprehensiveness of state spending transparency. This is a significant improvement from the F award in 2010.”

FY 2015 Accomplishments



- **Annual reporting** was conducted for all 455 active EDIP projects
- EACC decertified 12 EDIP projects and approved the voluntary withdrawal of Certified Project status for 5 projects (total of 17 projects removed from the Program)
- Decertification and withdrawal of certified project status from EDIP ends the tax credits in year found non-compliant and for all future years

FY 2016 Goals & Initiatives



- Implement a “but for these EDIP incentives, jobs and investment would not occur” emphasis vs. the “entitlement” mentality for projects
- Codify changes in the Acts of 2014 into the EDIP regulations
- Hold at least one EACC Board Policy Meeting. Topics to include among others:
 - Review of award schedule and criteria
 - Changes in project after approval: timing, job creation less than commitment, pro-rated EDIPC based on performance
 - Exceptional Opportunities
- Convene team to assess EDIP applications and determine if they can be streamlined
- Finalize information sharing processes with Department of Revenue (DOR) and Division of Unemployment Assistance (DUA)

FY 2015 EDIP Projects Approved



Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Pittsfield	Berkshires	Berkshire Innovation Center	SVC	TIF Only	2	0	\$10,200,000	\$0	6/23/2015	Y
Devens	Central	SMC LTD	Life Science	TIF Only	100	312	\$14,000,000	\$0	9/24/2014	N
Gardner	Central	Advanced Cable Ties, Inc.	MFG	Expansion Project	80	75	\$11,300,000	\$400,000	6/23/2015	N
Gardner	Central	New England Peptide, Inc.	Life Science	TIF Only	16	32	\$1,500,000	\$0	9/24/2014	N
Gardner	Central	New England Peptide, Inc.	Life Science	Expansion Project	7	7	\$684,080	\$127,037	6/23/2015	N
Leominster	Central	Easypak, LLC	MFG	Manufacturing Retention Project	15	65	\$7,500,000	\$262,500	12/17/2014	Y
Littleton	Central	Potpourri Group, Inc.	RET	Expansion Project	130	227	\$14,005,000	\$325,000	12/17/2014	N
Mendon	Central	D.C. Bates Equipment Co., Inc.	DIST	Expansion Project	5	22	\$4,000,000	\$25,000	6/23/2015	N
Milford	Central	Consigli Construction Co., Inc.	DEVL	Expansion Project	50	329	\$5,500,000	\$165,000	6/23/2015	N
Northbridge	Central	WGM Fabricators, LLC	MFG	Expansion Project	50	0	\$8,100,000	\$375,000	3/24/2015	N
Pepperell	Central	1A Auto, Inc.	DIST	Expansion Project	150	110	\$26,800,000	\$532,493	6/23/2015	N
Winchendon	Central	Brandywine Farms, Inc.	DEVL	TIF Only	100	0	\$6,500,000	\$0	6/23/2015	N
Boston	Greater Boston	Fiksu, Inc.	IT	Job Creation Project	120	191	\$1,110,000	\$120,000	12/17/2014	N
Boston	Greater Boston	LogMeIn, Inc.	IT	Expansion Project	450	353	\$37,700,000	\$1,061,250	12/17/2014	N
Boston	Greater Boston	Wayfair, LLC	IT	Job Creation Project	264	1289	\$0	\$264,000	12/17/2014	N
Dedham	Greater Boston	M.S. Walker, Inc.	DIST	TIF Only	0	75	\$50,000,000	\$0	12/17/2014	N

FY 2015 EDIP Projects Approved



Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Malden	Greater Boston	Hoff's Kitchen Co., Inc.	MFG	Manufacturing Retention Project	70	78	\$19,449,300	\$875,000	12/17/2014	Y
Waltham	Greater Boston	Amadeus North America, Inc.	IT	Job Creation Project	130	254	\$390,000	\$130,000	3/24/2015	N
Framingham	Metrowest	Jack's Abby Brewing, LLC	MFG	Expansion Project	35	26	\$6,203,451	\$262,500	6/23/2015	N
Hudson	Metrowest	Hudson Lock, LLC	MFG	Expansion Project	30	46	\$547,440	\$32,846	12/17/2014	N
Marlborough	Metrowest	GE Healthcare	Life Science	TIF Only	220	110	\$21,000,000	\$0	12/17/2014	N
Marlborough	Metrowest	IPG Photonics Corporation	MFG	Expansion Project	100	24	\$13,500,000	\$750,000	9/24/2014	N
North Attleboro	Metrowest	21 East Living, LLC	DEVLP	TIF Only	4	0	\$42,500,000	\$0	12/17/2014	N
Plainville	Metrowest	Distron Corporation	MFG	Expansion Project	52	93	\$6,425,000	\$365,400	3/24/2015	N
Stoughton	Metrowest	Amazon.com.dedc, LLC	DIST	Expansion Project	125	0	\$20,000,000	\$600,000	9/24/2014	N
Westborough	Metrowest	SimpliVity Corporation	IT	Job Creation Project	120	244	\$400,000	\$120,000	12/17/2014	N
Wrentham	Metrowest	Capstan Atlantic	MFG	Expansion Project	50	207	\$4,830,000	\$277,800	6/23/2015	N
Amesbury	Northeast	Archgrove Hospitality, Inc.	SVC	Expansion Project	15	0	\$10,681,284	\$37,500	12/17/2014	N
Burlington	Northeast	Demandware, Inc.	IT	Job Creation Project	146	280	\$0	\$146,000	12/17/2014	N
Dracut	Northeast	Elm Development Services, LLC	SVC	TIF Only	13	0	\$20,000,000	\$0	6/23/2015	N
Dracut	Northeast	H-Donuts Dracut, Inc.	RET	TIF Only	6	0	\$1,400,000	\$0	6/23/2015	N

FY 2015 EDIP Projects Approved



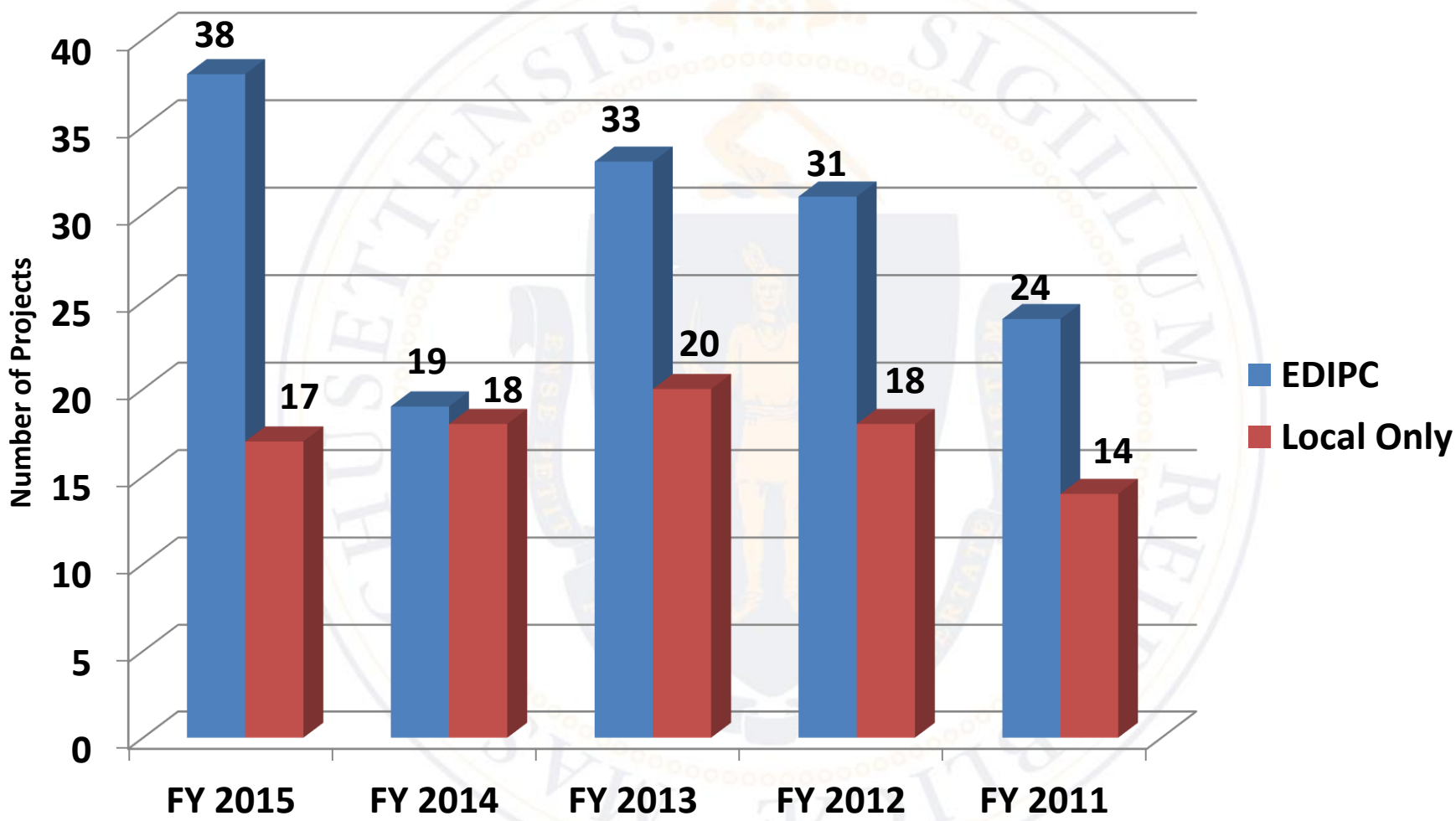
Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Lawrence	Northeast	One Martston, LLC/ALX Enterprises, LLC	DEVL	TIF Only	4	0	\$26,100,000	\$0	3/24/2015	Y
Lowell	Northeast	Markley Group	SVC	Expansion Project	25	0	\$72,850,000	\$187,500	6/23/2015	Y
Lowell	Northeast	Metrigraphics, LLC	MFG	Manufacturing Retention Project	29	76	\$5,515,000	\$362,500	9/24/2014	Y
Newburyport	Northeast	UFP, Technologies, Inc.	MFG	Expansion Project	50	175	\$17,482,000	\$500,000	3/24/2015	N
Salem	Northeast	Jacqueline's Wholesale Bakery, Inc.	MFG	Manufacturing Retention Project	50	0	\$4,781,811	\$478,181	9/24/2014	Y
Deerfield	Pioneer Valley	New England Natural Bakers, Inc.	MFG	TIF Only	10	51	\$11,697,000	\$0	6/23/2015	N
South Hadley	Pioneer Valley	Mohawk Fine Papers, Inc.	MFG	Expansion Project	37	0	\$1,500,000	\$73,050	12/17/2014	N
Springfield	Pioneer Valley	Freedom Credit Union	SVC	TIF Only	13	16	\$2,200,000	\$0	9/24/2014	Y
Westfield	Pioneer Valley	Lamson and Goodnow, LLC	MFG	STA Only	18	12	\$190,000	\$0	6/23/2015	Y
Fall River	Southeast	Blount Fine Foods, Corp.	MFG	Manufacturing Retention Project	75	304	\$10,985,000	\$1,125,000	3/24/2015	Y
Fall River/Freetown	Southeast	Amazon.com.dedc, LLC	IT	Enhanced Expansion Project	300	0	\$54,000,000	\$2,250,000	3/24/2015	Y
Fall River/Freetown	Southeast	Amazon.com.dedc, LLC	IT	Job Creation Project	200	0	\$0	\$1,000,000	3/24/2015	Y
Mansfield	Southeast	Future Foam, Inc.	MFG	Expansion Project	40	2	\$13,550,000	\$500,000	6/23/2015	N
New Bedford	Southeast	AMT Bioproducts Corp.	MFG	Expansion Project	5	11	\$685,764	\$31,336	12/17/2014	Y
New Bedford	Southeast	HTP, Inc.	MFG	Manufacturing Retention Project	44	55	\$3,644,400	\$399,048	3/24/2015	Y

FY 2015 EDIP Projects Approved



Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
New Bedford	Southeast	HTP, Inc.	MFG	Manufacturing Retention Project	44	55	\$3,644,400	\$399,048	3/24/2015	Y
Taunton	Southeast	Martignetti Grocery Co., Inc.	DIST	TIF Only	0	800	\$100,000,000	\$0	12/17/2014	Y
Greenfield	Western	Argotec, LLC	MFG	Expansion Project	31	237	\$20,000,000	\$232,500	3/24/2015	N
Holyoke	Western	Marcotte Ford Sales, Inc./933 Main Street, LLC/1025 Main Street, LLC	RET	TIF Only	12	114	\$5,000,000	\$0	3/24/2015	Y
Pittsfield	Western	Due North Hospitality, LLC	SVC	TIF Only	21	4	\$14,561,158	\$0	3/24/2015	Y
Westfield	Western	Jen-Coat, Inc.	MFG	Manufacturing Retention Project	12	256	\$6,925,000	\$240,000	3/24/2015	Y
Westfield	Western	Tell Tool, Inc.	MFG	Manufacturing Retention Project	17	110	\$5,001,000	\$255,000	3/24/2015	Y
				TOTAL	3,733	7,432	\$779,958,688	\$17,750,441		

Closed EDIP Projects by Fiscal Year



EDIP Contacts



EDIP Contacts:

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Visit:

www.mass.gov/mobd

www.mass.gov/edip

www.mass.gov/hed

Statutory References



EDIP Governing Statute:

[**M.G.L. Chapter 23A: Section 3A-3F**](#)

[3A: Definitions applicable to Sections 3A to 3H](#)

[3B: The Economic Assistance Coordinating Council](#)

[3C: The Economic Assistance Coordinating Council; Powers duties](#)

[3D: Economic Target Areas](#)

[3E: Economic Opportunity Areas](#)

[3F: Certified projects; Proposals](#)

EDIP Regulations:

[**402 Code of Massachusetts Regulations 2.00**](#)

EDIP Regulations effective January 1, 2010

EDIP Reformation Statutes:

[**Chapter 166 of the Acts of 2009**](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2010

[**Chapter 240 of the Acts of 2010: Sections 15 - 23**](#)

Reforms to M.G.L. Chapter 23A Sections 3A & 3F effective January 1, 2010

EDIP Investment Tax Credit Statutes:

[**M.G.L. Chapter 63: Section 38N**](#)

Taxation of Corporations: Economic Development Incentive Program; Tax Credit for Certified Projects

[**M.G.L. Chapter 63: Section 31A**](#)

Taxation of Corporations: Investment Credit for Certain Corporations; Limitations

Abandoned Building Renovation Deduction Statute:

[**M.G.L. Chapter 63: Section 38O**](#)

Economic Opportunity Areas; Tax Deduction for Renovation of Abandoned Buildings

Department of Revenue Releases on the EDIP Investment Tax Credit for Certified Projects Approved January 1, 2010 onward:

[**Department of Revenue Technical Information Release 10-1**](#)

Economic Development Incentive Program Credit

[**Department of Revenue Technical Information Release 10-15**](#)

Certain Local Property Tax, Personal Income Tax, Corporate Excise, and Tax Administration Changes in "An Act Relative to Economic Development Reorganization"

Department of Revenue Releases on the Economic Opportunity Area Credit for Certified Projects Approved Prior to January 1, 2010:

[**830 Code of Massachusetts Regulations 63.38 N.1**](#)

Regulations and calculation of Economic Opportunity Area Credit

[**Department of Revenue Division of Local Services: Informational Guideline Release No. 94-201**](#)

Property Tax Exemptions to Promote Economic Development

[**Department Of Revenue Directive 09-4**](#)

Effect that the Expiration of a Project's Certification has on the Economic Opportunity Area Credit

Local Tax Increment Financing Statutes and Regulations:

[**M.G.L. Chapter 40: Section 59**](#)

Powers and Duties of Cities and Towns: Tax Increment Financing Plan

[**MGL Chapter 59: Section 5, Paragraph 51**](#)

Assessment of Local Taxes: Property; Exemptions

[**760 Code of Massachusetts Regulations 22.00**](#)

Establishes standards and procedures for designation of Tax Increment Financing (TIF) Zones and for the development of Tax Increment Financing Plans.